

1 **DEPARTMENT OF TRANSPORTATION**

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4 **EXECUTIVE BUDGET BILL**

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7 A bill to make appropriations for the state transportation  
8 department and certain transportation purposes for the fiscal year  
9 ending September 30, 2010; to provide for the imposition of fees;  
10 to provide for reports; to create certain funds and programs; to  
11 prescribe requirements for certain railroad and bus facilities; to  
12 prescribe certain powers and duties of certain state departments  
13 and officials and local units of government; and to provide for the  
14 expenditure of the appropriations.  
15

16 **THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

17 **PART 1**

18 **LINE-ITEM APPROPRIATIONS**

19 Sec. 101. Subject to the conditions set forth in this bill,  
20 the amounts listed in this part are appropriated for the state  
21 transportation department and certain state purposes designated in  
22 this bill for the fiscal year ending September 30, 2010, from the  
23 funds indicated in this part. The following is a summary of the  
24 appropriations in this part:

25 **STATE TRANSPORTATION DEPARTMENT**

26 **APPROPRIATION SUMMARY:**

27 Full-time equated unclassified positions .....6.0

28 Full-time equated classified positions .....3,008.3

1	GROSS APPROPRIATION.....	\$ 3,268,120,900
2	Total interdepartmental grants and intradepartmental	
3	transfers .....	0
4	ADJUSTED GROSS APPROPRIATION.....	\$ 3,268,120,900
5	Federal revenues:	
6	Total federal revenues.....	1,226,704,500
7	Special revenue funds:	
8	Total local revenues.....	56,073,400
9	Total private revenues.....	0
10	Total other state restricted revenues.....	1,985,343,000
11	State general fund/general purpose.....	\$ 0
12	<b>Sec. 102. DEBT SERVICE</b>	
13	State trunkline.....	\$ 203,125,200
14	Economic development.....	9,228,200
15	Local bridge fund.....	3,318,700
16	Blue Water Bridge fund.....	2,149,600
17	Airport safety and protection plan.....	3,472,400
18	Comprehensive transportation.....	<u>29,843,200</u>
19	GROSS APPROPRIATION.....	\$ 251,137,300
20	Appropriated from:	
21	Federal revenues:	
22	DOT-FHWA, highway research, planning, and construction	57,663,500
23	Special revenue funds:	
24	Blue Water Bridge fund.....	2,149,600
25	Comprehensive transportation fund.....	29,843,200

1	Economic development fund.....	9,228,200
2	Local bridge fund.....	3,318,700
3	State aeronautics fund.....	3,472,400
4	State trunkline fund.....	145,461,700
5	State general fund/general purpose..... \$	0
6	<b>Sec. 103. COLLECTION, ENFORCEMENT, AND OTHER AGENCY</b>	
7	<b>SUPPORT SERVICES</b>	
8	MTF grant to department of state for collection of	
9	revenue and fees .....	\$ 20,000,000
10	MTF grant to department of treasury.....	7,440,700
11	MTF grant to legislative auditor general.....	204,300
12	STF grant to department of attorney general.....	2,867,400
13	STF grant to civil service commission.....	5,697,000
14	STF grant to department of management and budget.....	1,188,300
15	STF grant to department of state police.....	9,808,000
16	STF grant to department of treasury.....	179,100
17	STF grant to legislative auditor general.....	474,600
18	SAF grant to department of attorney general.....	160,300
19	SAF grant to civil service commission.....	150,000
20	SAF grant to department of management and budget.....	24,700
21	SAF grant to department of treasury.....	74,700
22	SAF grant to legislative auditor general.....	19,600
23	CTF grant to department of attorney general.....	162,400
24	CTF grant to civil service commission.....	200,000
25	CTF grant to department of management and budget.....	34,800

1	CTF grant to department of treasury.....	4,100
2	CTF grant to legislative auditor general.....	<u>25,200</u>
3	GROSS APPROPRIATION.....	\$ 48,715,200
4	Appropriated from:	
5	Special revenue funds:	
6	Comprehensive transportation fund.....	426,500
7	Michigan transportation fund.....	27,645,000
8	State aeronautics fund.....	429,300
9	State trunkline fund.....	20,214,400
10	State general fund/general purpose.....	\$ 0
11	<b>Sec. 104. EXECUTIVE DIRECTION</b>	
12	Full-time equated unclassified positions .....6.0	
13	Full-time equated classified positions .....31.3	
14	Unclassified salaries.....	\$ 602,800
15	Asset management council.....	1,626,400
16	Commission audit--31.3 FTE positions.....	<u>3,574,600</u>
17	GROSS APPROPRIATION.....	\$ 5,803,800
18	Appropriated from:	
19	Special revenue funds:	
20	Michigan transportation fund.....	1,626,400
21	State trunkline fund.....	4,177,400
22	State general fund/general purpose.....	\$ 0
23	<b>Sec. 105. BUSINESS SUPPORT</b>	
24	Full-time equated classified positions .....57.0	
25	Business support services--48.0 FTE positions.....	\$ 6,076,300

1	Economic development and enhancement programs--9.0 FTE	
2	positions .....	1,175,200
3	Property management.....	8,642,100
4	Worker's compensation.....	<u>1,726,700</u>
5	GROSS APPROPRIATION.....	\$ 17,620,300
6	Appropriated from:	
7	Special revenue funds:	
8	Comprehensive transportation fund.....	1,128,300
9	Economic development fund.....	482,700
10	Michigan transportation fund.....	185,000
11	State aeronautics fund.....	549,600
12	State trunkline fund.....	15,274,700
13	State general fund/general purpose.....	\$ 0
14	<b>Sec. 106. INFORMATION TECHNOLOGY</b>	
15	Information technology services and projects.....	\$ <u>29,313,200</u>
16	GROSS APPROPRIATION.....	\$ 29,313,200
17	Appropriated from:	
18	Federal revenues:	
19	DOT-FHWA, highway research, planning, and construction	510,800
20	Special revenue funds:	
21	Blue Water Bridge fund.....	48,200
22	Comprehensive transportation fund.....	188,800
23	Economic development fund.....	37,100
24	Michigan transportation fund.....	249,400
25	State aeronautics fund.....	147,400

1	State trunkline fund.....	28,131,500
2	State general fund/general purpose..... \$	0
3	<b>Sec. 107. FINANCE, CONTRACTS, AND SUPPORT SERVICES</b>	
4	Full-time equated classified positions .....243.5	
5	Finance, contracts, and support services--188.5 FTE	
6	positions ..... \$	20,071,800
7	Welcome center operations--55.0 FTE positions.....	<u>4,986,500</u>
8	GROSS APPROPRIATION..... \$	25,058,300
9	Appropriated from:	
10	Special revenue funds:	
11	Michigan transportation fund.....	1,625,200
12	State trunkline fund.....	23,433,100
13	State general fund/general purpose..... \$	0
14	<b>Sec. 108. TRANSPORTATION PLANNING</b>	
15	Full-time equated classified positions .....176.0	
16	Transportation planning services--176.0 FTE positions. \$	19,429,600
17	Specialized planning services and local studies.....	16,698,200
18	Grants to regional planning councils.....	<u>488,800</u>
19	GROSS APPROPRIATION..... \$	36,616,600
20	Appropriated from:	
21	Federal revenues:	
22	DOT-FHWA, highway research, planning, and construction	22,000,000
23	Special revenue funds:	
24	Comprehensive transportation fund.....	960,300
25	Michigan transportation fund.....	6,304,500

1	State aeronautics fund.....	75,000
2	State trunkline fund.....	7,276,800
3	State general fund/general purpose.....	\$ 0
4	<b>Sec. 109. DESIGN AND ENGINEERING SERVICES</b>	
5	Full-time equated classified positions .....	1,494.8
6	Engineering services--787.1 FTE positions.....	\$ 62,992,700
7	Program services--695.7 FTE positions.....	40,423,400
8	Intelligent transportation systems operations--12.0	
9	FTE positions .....	<u>10,785,400</u>
10	GROSS APPROPRIATION.....	\$ 114,201,500
11	Appropriated from:	
12	Federal revenues:	
13	DOT-FHWA, highway research, planning, and construction	23,529,800
14	Special revenue funds:	
15	Michigan transportation fund.....	5,835,200
16	State trunkline fund.....	84,836,500
17	State general fund/general purpose.....	\$ 0
18	<b>Sec. 110. HIGHWAY MAINTENANCE</b>	
19	Full-time equated classified positions .....	834.7
20	State trunkline operations--834.7 FTE positions.....	\$ <u>286,528,100</u>
21	GROSS APPROPRIATION .....	\$ 286,528,100
22	Appropriated from:	
23	Special revenue funds:	
24	State trunkline fund.....	286,528,100
25	State general fund/general purpose.....	\$ 0

1	<b>Sec. 111. ROAD AND BRIDGE PROGRAMS</b>		
2	State trunkline federal aid and road and bridge		
3	construction .....	\$	794,418,800
4	Local federal aid and road and bridge construction....		248,751,000
5	Grants to local programs.....		33,000,000
6	Rail grade crossing.....		3,000,000
7	Local bridge program.....		26,905,000
8	County road commissions.....		568,937,400
9	Cities and villages.....		<u>317,208,000</u>
10	GROSS APPROPRIATION.....	\$	1,992,220,200
11	Appropriated from:		
12	Federal revenues:		
13	DOT-FHWA, highway research, planning, and construction		955,963,600
14	Special revenue funds:		
15	Local funds.....		30,000,000
16	Blue Water Bridge fund.....		7,107,300
17	Local bridge fund.....		26,905,000
18	Michigan transportation fund.....		922,145,400
19	State trunkline fund.....		50,098,900
20	State general fund/general purpose.....	\$	0
21	<b>Sec. 112. BLUE WATER BRIDGE</b>		
22	Full-time equated classified positions .....41.0		
23	Blue Water Bridge operations--41.0 FTE positions.....	\$	<u>5,401,200</u>
24	GROSS APPROPRIATION.....	\$	5,401,200
25	Appropriated from:		



1	Special revenue funds:		
2	Blue Water Bridge fund.....		5,401,200
3	State general fund/general purpose.....	\$	0
4	<b>Sec. 113. TRANSPORTATION ECONOMIC DEVELOPMENT</b>		
5	Forest roads.....	\$	5,000,000
6	Rural county urban system.....		2,500,000
7	Target industries/economic redevelopment.....		20,863,400
8	Urban county congestion.....		8,681,800
9	Rural county primary.....		<u>8,681,800</u>
10	GROSS APPROPRIATION.....	\$	45,727,000
11	Appropriated from:		
12	Special revenue funds:		
13	Economic development fund.....		45,727,000
14	State general fund/general purpose.....	\$	0
15	<b>Sec. 114. AERONAUTICS AND FREIGHT SERVICES</b>		
16	Full-time equated classified positions .....		84.0
17	Aeronautics services--56.0 FTE positions.....	\$	7,203,100
18	Freight and safety services--28.0 FTE positions.....		3,562,700
19	Air service program.....		<u>464,600</u>
20	GROSS APPROPRIATION.....	\$	11,230,400
21	Appropriated from:		
22	Special revenue funds:		
23	Comprehensive transportation fund.....		1,541,400
24	Michigan transportation fund.....		2,021,300
25	State aeronautics fund.....		7,667,700

1	State general fund/general purpose.....	\$	0
2	<b>Sec. 115. PUBLIC TRANSPORTATION SERVICES</b>		
3	Full-time equated classified positions .....	46.0	
4	Passenger transportation services--46.0 FTE positions.	\$	<u>5,455,400</u>
5	GROSS APPROPRIATION.....	\$	5,455,400
6	Appropriated from:		
7	Federal revenues:		
8	DOT, federal transit act.....		762,100
9	Special revenue funds:		
10	Comprehensive transportation fund.....		4,490,300
11	Michigan transportation fund.....		203,000
12	State general fund/general purpose.....	\$	0
13	<b>Sec. 116. BUS TRANSIT DIVISION: STATUTORY OPERATING</b>		
14	Local bus operating.....	\$	166,624,000
15	Nonurban operating/capital.....		<u>21,800,000</u>
16	GROSS APPROPRIATION.....	\$	188,424,000
17	Appropriated from:		
18	Federal revenues:		
19	DOT, federal transit act.....		21,000,000
20	Special revenue funds:		
21	Local fund.....		800,000
22	Comprehensive transportation fund.....		166,624,000
23	State general fund/general purpose.....	\$	0
24	<b>Sec. 117. INTERCITY PASSENGER AND FREIGHT</b>		
25	Freight property management.....	\$	1,000,000

1	Detroit/Wayne County port authority.....	468,200
2	Intercity services.....	7,250,000
3	Rail passenger service.....	8,667,000
4	Freight preservation and development.....	3,364,200
5	Marine passenger service.....	374,600
6	Terminal development.....	<u>150,000</u>
7	GROSS APPROPRIATION.....	\$ 21,274,000
8	Appropriated from:	
9	Federal revenues:	
10	DOT, federal transit act.....	4,500,000
11	DOT-FRA, local rail service assistance.....	100,000
12	DOT-FRA, rail passenger/HSGT.....	3,000,000
13	Special revenue funds:	
14	Local funds.....	50,000
15	Comprehensive transportation fund.....	9,624,000
16	Intercity bus equipment fund.....	2,000,000
17	Rail freight fund.....	2,000,000
18	State general fund/general purpose.....	\$ 0
19	<b>Sec. 118. PUBLIC TRANSPORTATION DEVELOPMENT</b>	
20	Specialized services.....	\$ 7,248,100
21	Municipal credit program.....	1,873,000
22	Bus capital.....	38,178,200
23	Van pooling.....	195,000
24	Service initiatives.....	1,050,000
25	Transportation to work.....	<u>9,136,400</u>

1	GROSS APPROPRIATION.....	\$	57,680,700
2	Appropriated from:		
3	Federal revenues:		
4	DOT, federal transit act.....		32,800,000
5	Special revenue funds:		
6	Local funds.....		9,200,000
7	Comprehensive transportation fund.....		15,680,700
8	State general fund/general purpose.....	\$	0
9	<b>Sec. 119. CAPITAL OUTLAY</b>		
10	<b>(1) BUILDINGS AND FACILITIES</b>		
11	Special maintenance, remodeling, and additions.....	\$	2,288,000
12	GROSS APPROPRIATION.....	\$	2,288,000
13	Appropriated from:		
14	Special revenue funds:		
15	State trunkline fund.....		2,288,000
16	State general fund/general purpose.....	\$	0
17	<b>(2) AIRPORT IMPROVEMENT PROGRAMS</b>		
18	Airport safety, protection and improvement program....	\$	123,425,700
19	GROSS APPROPRIATION.....	\$	123,425,700
20	Appropriated from:		
21	Federal revenues:		
22	DOT, federal aviation administration.....		104,874,700
23	Special revenue funds:		
24	Local funds.....		16,023,400
25	State aeronautics fund.....		2,527,600

1 State general fund/general purpose..... \$ 0

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3 PART 2

4 PROVISIONS CONCERNING APPROPRIATIONS

5 GENERAL SECTIONS

6 Sec. 201. Pursuant to section 30 of article IX of the state  
7 constitution of 1963, total state spending from state resources  
8 under part 1 for fiscal year 2009-2010 is \$1,985,343,000 and state  
9 spending from state resources to be paid to local units of  
10 government for fiscal year 2009-2010 is \$1,180,335,900. The  
11 itemized statement below identifies appropriations from which  
12 spending to units of local government will occur:

13 DEPARTMENT OF TRANSPORTATION

14	Grants to local programs.....	\$	33,000,000
15	Economic development fund.....		45,727,000
16	Cities and villages.....		317,208,000
17	County road commissions.....		568,937,400
18	Local bridge program.....		26,905,000
19	Grants to regional planning councils.....		488,800
20	Local bus operating.....		166,624,000
21	Bus capital.....		5,178,200
22	Marine passenger service.....		374,600
23	Detroit/Wayne County port authority.....		468,200
24	Municipal credit program.....		1,873,000
25	Specialized services.....		3,848,100

1	Transportation to work.....	4,536,400
2	Terminal development.....	75,000
3	Air service program.....	464,600
4	Rail grade crossing.....	2,100,000
5	CAPITAL OUTLAY	
6	Airport safety, protection, and improvement program...	2,527,600
7	Total payments to local units of government.....	\$ 1,180,335,900

8       Sec. 202. The appropriations authorized under this bill are  
9 subject to the management and budget act, 1984 PA 431, MCL 18.1101  
10 to 18.1594.

11       Sec. 203. As used in this bill:

12       (a) "AASHTO" means American association of state highway and  
13 transportation officials.

14       (b) "ASTM" means American society for testing and materials.

15       (c) "CTF" means comprehensive transportation fund.

16       (d) "Department" means the department of transportation.

17       (e) "DOT" means the United States department of  
18 transportation.

19       (f) "DOT-FHWA" means DOT, federal highway administration.

20       (g) "DOT-FRA" means DOT, federal railroad administration.

21       (h) "DOT-FRA, rail passenger/HSGT" means DOT, federal railroad  
22 administration, high-speed ground transportation.

23       (i) "EDF" means economic development fund.

24       (j) "FTE" means full-time equated.

25       (k) "MTF" means Michigan transportation fund.

1 (l) "RIF" means recreation improvement fund.

2 (m) "SAF" means state aeronautics fund.

3 (n) "STF" means state trunkline fund.

4 Sec. 204. The civil service commission shall bill `departments  
5 and agencies at the end of the first fiscal quarter for the charges  
6 authorized by section 5 of article XI of the state constitution of  
7 1963. Payments shall be made for the total amount of the billing by  
8 the end of the second fiscal quarter.

9 Sec. 206. (1) In addition to the funds appropriated in part 1,  
10 there is appropriated an amount not to exceed \$200,000,000.00 for  
11 federal contingency funds. These funds are not available for  
12 expenditure until they have been transferred to another line item  
13 in this bill under section 393(2) of the management and budget act,  
14 1984 PA 431, MCL 18.1393.

15 (2) In addition to the funds appropriated in part 1, there is  
16 appropriated an amount not to exceed \$40,000,000.00 for state  
17 restricted contingency funds. These funds are not available for  
18 expenditure until they have been transferred to another line item  
19 in this bill under section 393(2) of the management and budget act,  
20 1984 PA 431, MCL 18.1393.

21 (3) In addition to the funds appropriated in part 1, there is  
22 appropriated an amount not to exceed \$1,000,000.00 for local  
23 contingency funds. These funds are not available for expenditure  
24 until they have been transferred to another line item in this bill

1 under section 393(2) of the management and budget act, 1984 PA 431,  
2 MCL 18.1393.

3 (4) In addition to the funds appropriated in part 1, there is  
4 appropriated an amount not to exceed \$1,000,000.00 for private  
5 contingency funds. These funds are not available for expenditure  
6 until they have been transferred to another line item in this bill  
7 under section 393(2) of the management and budget act, 1984 PA 431,  
8 MCL 18.1393.

9 Sec. 208. The department shall use the Internet to fulfill the  
10 reporting requirements of this bill. This requirement may include  
11 transmission of reports via electronic mail to the recipients  
12 identified for each reporting requirement, or it may include  
13 placement of reports on an Internet or Intranet site.

14 Sec. 209. Funds appropriated in part 1 shall not be used for  
15 the purchase of foreign goods or services, or both, if  
16 competitively priced and of comparable quality American goods or  
17 services, or both, are available. Preference shall be given to  
18 goods or services, or both, manufactured or provided by Michigan  
19 businesses, if they are competitively priced and of comparable  
20 quality. In addition, preference should be given to goods or  
21 services, or both, that are manufactured or provided by Michigan  
22 businesses owned and operated by veterans, if they are  
23 competitively priced and of comparable quality.

24 Sec. 210. The director shall take all reasonable steps to  
25 ensure businesses in deprived and depressed communities compete for



1 and perform contracts to provide services or supplies, or both. The  
2 director shall strongly encourage firms with which the department  
3 contracts to subcontract with certified businesses in deprived and  
4 depressed communities for services, supplies, or both.

5       Sec. 259. From the funds appropriated in part 1 for  
6 information technology, the department shall pay user fees to the  
7 department of information technology for technology-related  
8 services and projects. Such user fees shall be subject to  
9 provisions of an interagency agreement between the department and  
10 the department of information technology.

11       Sec. 260. (1) Due to the current budgetary problems in this  
12 state, out-of-state travel for the fiscal year ending September 30,  
13 2010 shall be limited to situations in which 1 or more of the  
14 following conditions apply:

15       (a) The travel is required by legal mandate or court order or  
16 for law enforcement purposes.

17       (b) The travel is necessary to protect the health or safety of  
18 Michigan citizens or visitors or to assist other states in similar  
19 circumstances.

20       (c) The travel is necessary to produce budgetary savings or to  
21 increase state revenues, including protecting existing federal  
22 funds or securing additional federal funds.

23       (d) The travel is necessary to comply with federal  
24 requirements.

1 (e) The travel is necessary to secure specialized training for  
2 staff that is not available within this state.

3 (f) The travel is financed entirely by federal or nonstate  
4 funds.

5 (2) Not later than January 1 of each year, each department  
6 shall prepare a travel report listing all travel by classified and  
7 unclassified employees outside this state in the immediately  
8 preceding fiscal year that was funded in whole or in part with  
9 funds appropriated in the department's budget. The report shall be  
10 submitted to the senate and house of representatives standing  
11 committees on appropriations, the senate and house fiscal agencies,  
12 and the state budget director. The report shall include the  
13 following information:

14 (a) The name of each person receiving reimbursement for travel  
15 outside this state or whose travel costs were paid by this state.

16 (b) The destination of each travel occurrence.

17 (c) The dates of each travel occurrence.

18 (d) A brief statement of the reason for each travel  
19 occurrence.

20 (e) The transportation and related costs of each travel  
21 occurrence, including the proportion funded with state general  
22 fund/general purpose revenues, the proportion funded with state  
23 restricted revenues, the proportion funded with federal revenues,  
24 and the proportion funded with other revenues.

1 (f) A total of all out-of-state travel funded for the  
2 immediately preceding fiscal year.

3 Sec. 262. Funds appropriated in part 1 shall not be used by a  
4 principal executive department, state agency, or authority to hire  
5 a person to provide legal services that are the responsibility of  
6 the attorney general. This prohibition does not apply to legal  
7 services for bonding activities and for those activities that the  
8 attorney general authorizes.

9  
10 **DEPARTMENTAL SECTIONS**

11 Sec. 301. (1) The department may establish a fee schedule and  
12 collect fees sufficient to cover the costs to issue the permits  
13 that the department is authorized by law to issue upon request,  
14 unless otherwise stipulated by law. All permit fees are  
15 nonrefundable application fees and shall be credited to the  
16 appropriate fund to recover the direct and indirect costs of  
17 receiving, reviewing, and processing the requests.

18 (2) A bridge authority shall hold 3 public hearings on an  
19 increase in any toll charged by the authority at least 30 days  
20 before the toll change will become effective. Two of the hearings  
21 shall be held within 5 miles of the bridge over which the bridge  
22 authority has jurisdiction. One hearing shall be held in Lansing.  
23 Public hearings held under this section shall be conducted in  
24 accordance with the open meetings act, 1976 PA 267, MCL 15.261 to  
25 15.275, and shall be conducted so as to provide a reasonable

1 opportunity for public comment, including both spoken and written  
2 comments.

3       Sec. 304. If, as a requirement of bidding on a highway  
4 project, the department requires a contractor to submit financial  
5 or proprietary documentation as to how the bid was calculated, that  
6 bid documentation shall be kept confidential and shall not be  
7 disclosed other than to a department representative without the  
8 contractor's written consent. The department may disclose the bid  
9 documentation if necessary to address or defend a claim by a  
10 contractor.

11       Sec. 305. The department may permit space on public passenger  
12 transportation properties to be occupied by public or private  
13 tenants on a competitive market rate basis. The department shall  
14 require that revenue from the tenants be placed in an account to be  
15 used to pay the costs to maintain and improve the property.

16       Sec. 306. (1) The amounts appropriated in section 103 to  
17 support tax and fee collection, law enforcement, and other program  
18 services provided to the department and to transportation funds by  
19 other state departments shall be expended from transportation funds  
20 pursuant to annual contracts between the department and those other  
21 state departments. The contracts shall be executed prior to the  
22 expenditure or obligation of those funds. The contracts shall  
23 provide, but are not limited to, the following data applicable to  
24 each state department:

25       (a) Estimated costs to be recovered from transportation funds.

1 (b) Description of services provided to the department and/or  
2 transportation funds and financed with transportation funds.

3 (c) Detailed cost allocation methods appropriate to the type  
4 of services being provided and the activities financed with  
5 transportation funds.

6 (2) Not later than 2 months after publication of the state of  
7 Michigan comprehensive annual financial report, each state  
8 department receiving funding pursuant to an interdepartmental  
9 contract with the department shall submit a written report to the  
10 department, the state budget director, and the house and senate  
11 fiscal agencies stating by spending authorization account the  
12 amount of estimated funds contracted with the department, the  
13 amount of funds expended, the amount of funds returned to the  
14 transportation funds, and any unreimbursed transportation-related  
15 costs incurred but not billed to transportation funds. A copy of  
16 the report shall be submitted to the auditor general, and the  
17 report shall be subject to audit by the auditor general as provided  
18 in subsection (3).

19 (3) Biennially, in each even-numbered fiscal year, the auditor  
20 general shall conduct an audit of charges to transportation funds  
21 by state departments for the 2 preceding fiscal years. The audit  
22 shall include both charges governed by interdepartmental contracts  
23 as well as miscellaneous charges from other state departments not  
24 governed by contracts. The auditor general shall prepare a detailed  
25 report, with recommendations and conclusions, including a summary

1 of charges and related services to transportation funds by  
2 department, the appropriateness of those charges, the cost  
3 allocation methodologies used in determining the level of funding,  
4 and any unreimbursed transportation-related costs, if any. The  
5 report shall be provided to the senate and house of representatives  
6 committees on appropriations, the senate and house fiscal agencies,  
7 and the state budget director 9 months after publication of the  
8 state of Michigan comprehensive annual financial report.

9       Sec. 307. Before March 1 of each year, the department will  
10 provide to the legislature, the state budget director, and the  
11 house and senate fiscal agencies its rolling 5-year plan listing by  
12 county or by county road commission all highway construction  
13 projects for the fiscal year and all expected projects for the  
14 ensuing fiscal years.

15       Sec. 308. The department and local road agencies that receive  
16 appropriations under this bill shall pursue compliance with  
17 contract specifications for construction and maintenance of state  
18 highways and local roads and streets. Work shall not be accepted  
19 and paid for until it complies with contract requirements.  
20 Contractors with unsatisfactory performance ratings shall be  
21 restricted from future bidding through the prequalification process  
22 established by the department or a local road agency.

23       Sec. 309. The department shall continue its efforts to reduce  
24 administrative costs and provide the maximum funding possible for  
25 construction projects.

1       Sec. 310. The department shall provide in a timely manner,  
2   copies of the agenda and approved minutes of monthly transportation  
3   commission meetings to the members of the house and senate  
4   appropriations subcommittees on transportation, the house and  
5   senate fiscal agencies, and the state budget director.

6       Sec. 312. At the close of the fiscal year, any unencumbered  
7   and unexpended balance in the state trunkline fund shall remain in  
8   the state trunkline fund and shall carry forward and is  
9   appropriated for federal aid road and bridge programs for projects  
10  contained in the annual state transportation program.

11       Sec. 313. (1) From funds appropriated in part 1, the  
12  department may increase a state infrastructure bank program and  
13  grant or loan funds in accordance with regulations of the state  
14  infrastructure bank program of the United States department of  
15  transportation. The state infrastructure bank is to be administered  
16  by the department for the purpose of providing a revolving, self-  
17  sustaining resource for financing transportation infrastructure  
18  projects.

19       (2) In addition to funds provided in subsection (1), money  
20  received by the state as federal grants, repayment of state  
21  infrastructure bank loans, or other reimbursement or revenue  
22  received by the state as a result of projects funded by the program  
23  and interest earned on that money shall be deposited in the  
24  revolving state infrastructure bank fund and shall be available for  
25  transportation infrastructure projects. At the close of the fiscal

1 year, any unencumbered funds remaining in the state infrastructure  
2 bank fund shall remain in the fund and be carried forward into the  
3 succeeding fiscal year.

4 Sec. 334. The department shall continue its program to  
5 increase the use of women- and minority-owned businesses in state  
6 and local road construction projects. This program shall comprise,  
7 at a minimum, outreach and education efforts to inform women- and  
8 minority-owned firms of department competitive bidding processes  
9 and requirements, and an assessment of the availability of surety  
10 for women- and minority-owned businesses.

11 Sec. 375. The department is prohibited from reimbursing  
12 contractors or consultants for costs associated with groundbreaking  
13 ceremonies, receptions, open houses, or press conferences related  
14 to transportation projects funded, in whole or in part, by revenue  
15 appropriated in part 1.

16 Sec. 383. The department shall maintain a system for  
17 recovering the cost of operating department-owned aircraft through  
18 charges to aircraft users.

19  
20 **FEDERAL**

21 Sec. 401. Within 30 days of receiving the applicable fiscal  
22 year authorization from the federal government to commit  
23 transportation funds, the department shall notify local agency  
24 representatives, the senate and house of representatives  
25 appropriation transportation subcommittees, the senate and house



1 fiscal agencies, and the state budget director regarding the amount  
2 of federal aid for categorical allocations to state and local  
3 agency programs not specifically allocated in either federal or  
4 state law.

5       Sec. 402. A portion of the federal DOT-FHWA highway research,  
6 planning, and construction funds made available to the state shall  
7 be allocated to transportation programs administered by local  
8 jurisdictions in accordance with section 10o of 1951 PA 51, MCL  
9 247.660o. A local road agency, with respect to a project approved  
10 for federal aid funding in a state transportation improvement  
11 program, may enter into a voluntary buyout agreement with the  
12 department or with another local road agency to exchange the  
13 federal aid with state restricted transportation funds as agreed to  
14 by the respective parties. The state-restricted transportation  
15 funds received in exchange for federal aid funds shall be used for  
16 the same purpose as the federal aid funds were originally intended.

17  
18 **MICHIGAN TRANSPORTATION FUND**

19       Sec. 501. The money received under the motor carrier act, 1933  
20 PA 254, MCL 475.1 to 479.43, and not appropriated to the department  
21 of energy, labor and economic growth or the department of state  
22 police is deposited in the Michigan transportation fund.

23       Sec. 502. The department of treasury shall perform audits and  
24 make investigations of the disposition of all state funds received  
25 by county road commissions or county boards of commissioners, as

1 applicable, and cities and villages for transportation purposes to  
2 determine compliance with the terms and conditions of 1951 PA 51,  
3 MCL 247.651 to 247.675. County road commissions or county boards of  
4 commissioners, as applicable, and cities and villages shall make  
5 available to the department of treasury the pertinent records for  
6 the audit.

7       Sec. 503. (1) The funds appropriated in part 1 for the  
8 economic development and local bridge programs shall not lapse at  
9 the end of the fiscal year but shall carry forward each fiscal year  
10 for the purposes for which appropriated in accordance with 1987 PA  
11 231, MCL 247.901 to 247.913, and section 10(5) of 1951 PA 51, MCL  
12 247.660.

13       (2) Interest earned in the department of transportation  
14 economic development fund and local bridge fund shall remain in the  
15 respective funds and shall be allocated to the respective programs  
16 based on actual interest earned at the end of each fiscal year.

17       (3) In addition to the funds appropriated in part 1, the  
18 department of transportation economic development fund and local  
19 bridge fund, federal, local, private or restricted source funds  
20 such as interest earnings are appropriated for projects that are  
21 consistent with the programmatic mission of the respective funds.

22       (4) None of the funds statutorily dedicated to the  
23 transportation economic development fund and local bridge fund  
24 shall be diverted to other projects.

1           Sec. 504. Funds from the Michigan transportation fund (MTF)  
2 shall be distributed to the comprehensive transportation fund  
3 (CTF), the economic development fund (EDF), the recreation  
4 improvement fund (RIF), and the state trunkline fund (STF), in  
5 accordance with this bill and part 711 of the natural resources and  
6 environmental protection act, 1994 PA 451, MCL 324.71101 to  
7 324.71108, and may only be used as specified in this bill, 1951 PA  
8 51, MCL 247.651 to 247.675, and part 711 of the natural resources  
9 and environmental protection act, 1994 PA 451, MCL 324.71101 to  
10 324.71108.

11  
12       **STATE TRUNKLINE FUND**

13           Sec. 601. The department shall work with the road construction  
14 industry and engineering consulting community to develop  
15 performance and road construction warranties for construction  
16 contracts. The development of warranties shall include warranties  
17 on materials, workmanship, performance criteria, and design/build  
18 projects.

19           Sec. 602. If the department uses manufactured pipe for road  
20 construction drainage, the department shall require that pipe used  
21 under certain load-bearing conditions beneath the roadway meets the  
22 standards established by the American society for testing and  
23 materials (ASTM) or American association of state highway and  
24 transportation officials (AASHTO). The department may also use the  
25 mandrel test for manufactured pipe 60 days after installation.

1

2 **COMPREHENSIVE TRANSPORTATION FUND**

3       Sec. 701. Money that is received by the state as a lease  
4 payment for state-owned intercity bus equipment is not money to be  
5 deposited in the comprehensive transportation fund under section  
6 10b of 1951 PA 51, MCL 247.660b, but is money that is deposited in  
7 an intercity bus equipment fund for appropriation for the purchase  
8 and repair of intercity bus equipment. Proceeds received by the  
9 state from the sale of intercity bus equipment are deposited in an  
10 intercity bus equipment fund for appropriation for the purchase and  
11 repair of intercity bus equipment. Security deposits from the lease  
12 of state-owned intercity bus equipment not returned to the lessee  
13 of the equipment under terms of the lease agreement are deposited  
14 in an intercity bus equipment fund for appropriation for the repair  
15 of intercity bus equipment. At the close of the fiscal year, any  
16 funds remaining in the intercity bus equipment fund shall remain in  
17 the fund and be carried forward into the succeeding fiscal year.

18       Sec. 702. Money that is received by the state as repayment for  
19 loans made for rail or water freight capital projects, and as a  
20 result of the sale of property or equipment used or projected to be  
21 used for rail or water freight projects shall be deposited in the  
22 fund created by section 17 of the state transportation preservation  
23 act of 1976, 1976 PA 295, MCL 474.67. At the close of the fiscal  
24 year, any funds remaining in the rail freight fund shall remain in  
25 the fund and be carried forward into the succeeding fiscal year.

1       Sec. 706. The Detroit/Wayne County port authority shall issue  
2 a complete operations assessment and a financial disclosure  
3 statement. The operations assessment shall include operational  
4 goals for the next 5 years and recommendations to improve land  
5 acquisition and development efficiency. The report shall be  
6 completed and submitted to the house of representatives and senate  
7 appropriations subcommittees on transportation, the state budget  
8 director, and the house and senate fiscal agencies by February 15  
9 of each fiscal year for the prior fiscal year.

10       Sec. 708. If funds appropriated in part 1 are used to provide  
11 state-owned or state-leased buses to private intercity bus  
12 carriers, the department shall charge not less than \$1,000.00 per  
13 bus per year for their use.

14       Sec. 711. (1) From the funds appropriated in part 1 from the  
15 comprehensive transportation fund for rail passenger service, the  
16 department shall negotiate with a rail carrier to provide rail  
17 service between Grand Rapids and Chicago and between Port Huron and  
18 Chicago, consistent with the other provisions of this section.

19       (2) The rail carrier shall, as a condition to receiving a  
20 state operating subsidy, maintain a system to monitor, collect, and  
21 resolve customer complaints and shall make the information  
22 available to the department, the house and senate appropriations  
23 subcommittees on transportation, the state budget director, and the  
24 house and senate fiscal agencies.

1       Sec. 714. The department, in cooperation with local transit  
2 agencies, shall work to ensure that demand-response services are  
3 provided throughout Michigan. The department shall continue to work  
4 with local units of government to address the unmet transit needs  
5 in Michigan.

6       Sec. 742. For the fiscal year ending September 30, 2010, the  
7 appropriation recommended by the governor to a street railway  
8 pursuant to section 22 of 1951 PA 51, MCL 247.660E, is \$0.

9  
10    **AERONAUTICS FUND**

11       Sec. 801. Except as provided for in section 903 for capital  
12 outlay, at the close of the fiscal year, any unobligated and  
13 unexpended balance in the state aeronautics fund created in the  
14 aeronautics code of the state of Michigan, 1945 PA 327, MCL 259.1  
15 to 259.208, shall lapse to the state aeronautics fund and be  
16 appropriated by the legislature in the immediately succeeding  
17 fiscal year.

18  
19    **CAPITAL OUTLAY**

20       Sec. 901. (1) From federal-state-local project appropriations  
21 contained in part 1 for the purpose of assisting political entities  
22 and subdivisions of this state in the construction and improvement  
23 of publicly used airports and landing fields within this state, the  
24 state transportation department may permit the award of contracts  
25 on behalf of units of local government for the authorized locations

1 not to exceed the indicated amount, of which the state allocated  
2 portion shall not exceed the amount appropriated in part 1.

3 (2) Political entities and subdivisions shall provide not less  
4 than 2.5% of the cost of any project under this section, unless a  
5 total nonfederal share greater than 5% is otherwise specified in  
6 federal law. State money shall not be allocated until local money  
7 is allocated. State money for any 1 project shall not exceed 1/3 of  
8 the total appropriation in part 1 from state funds for airport  
9 improvement programs.

10 (3) The Michigan aeronautics commission may take those steps  
11 necessary to match federal money available for airport construction  
12 and improvement within this state and to meet the matching  
13 requirements of the federal government. Whether acting alone or  
14 jointly with another political subdivision or public agency or with  
15 this state, a political subdivision or public agency of this state  
16 shall not submit to any agency of the federal government a project  
17 application for airport planning or development unless it is  
18 authorized in this bill and the project application is approved by  
19 the governing body of each political subdivision or public agency  
20 making the application and by the Michigan aeronautics commission.

21 Sec. 902. (1) The director shall allocate lump-sum  
22 appropriations made in this bill consistent with statutory  
23 provisions and the purposes for which funds were appropriated.  
24 Lump-sum allocations shall address priority program or facility  
25 needs and may include, but are not limited to, design,

1 construction, remodeling and addition, special maintenance, major  
2 special maintenance, energy conservation, and demolition.

3 (2) The state budget director may authorize that funds  
4 appropriated for lump-sum appropriations shall be available for no  
5 more than 3 fiscal years following the fiscal year in which the  
6 original appropriation was made. Any remaining balance from  
7 allocations made in this section shall lapse to the fund from which  
8 it was appropriated pursuant to the lapsing of funds as provided in  
9 the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

10 Sec. 903. The appropriations in part 1 for capital outlay  
11 shall be carried forward at the end of the fiscal year consistent  
12 with the provisions of section 248 of the management and budget  
13 act, 1984 PA 431, MCL 18.1248.